

## Public Law 627

## CHAPTER 462

June 29, 1956  
 [H. R. 10660]

To amend and supplement the Federal-Aid Road Act approved July 11, 1916, to authorize appropriations for continuing the construction of highways; to amend the Internal Revenue Code of 1954 to provide additional revenue from the taxes on motor fuel, tires, and trucks and buses; and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

## TITLE I—FEDERAL-AID HIGHWAY ACT OF 1956

### SEC. 101. SHORT TITLE FOR TITLE I.

This title may be cited as the "Federal-Aid Highway Act of 1956".

### SEC. 102. FEDERAL-AID HIGHWAYS.

23 USC 48 and  
note; 16 USC 503.

(a) (1) **AUTHORIZATION OF APPROPRIATIONS.**—For the purpose of carrying out the provisions of the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), and all Acts amendatory thereof and supplementary thereto, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1957, \$125,000,000 in addition to any sums heretofore authorized for such fiscal year; the sum of \$850,000,000 for the fiscal year ending June 30, 1958; and the sum of \$875,000,000 for the fiscal year ending June 30, 1959. The sums herein authorized for each fiscal year shall be available for expenditure as follows:

(A) 45 per centum for projects on the Federal-aid primary highway system.

(B) 30 per centum for projects on the Federal-aid secondary highway system.

(C) 25 per centum for projects on extensions of these systems within urban areas.

(2) **APPORTIONMENTS.**—The sums authorized by this section shall be apportioned among the several States in the manner now provided by law and in accordance with the formulas set forth in section 4 of the Federal-Aid Highway Act of 1944, approved December 20, 1944 (58 Stat. 838): *Provided*, That the additional amount herein authorized for the fiscal year ending June 30, 1957, shall be apportioned immediately upon enactment of this Act.

(b) **AVAILABILITY FOR EXPENDITURE.**—Any sums apportioned to any State under this section shall be available for expenditure in that State for two years after the close of the fiscal year for which such sums are authorized, and any amounts so apportioned remaining unexpended at the end of such period shall lapse: *Provided*, That such funds shall be deemed to have been expended if a sum equal to the total of the sums herein and heretofore apportioned to the State is covered by formal agreements with the Secretary of Commerce for construction, reconstruction, or improvement of specific projects as provided in this title and prior Acts: *Provided further*, That in the case of those sums heretofore, herein, or hereafter apportioned to any State for projects on the Federal-aid secondary highway system, the Secretary of Commerce may, upon the request of any State, discharge his responsibility relative to the plans, specifications, estimates, surveys, contract awards, design, inspection, and construction of such secondary road projects by his receiving and approving a certified statement by the State highway department setting forth that the plans, design, and construction for such projects are in accord with the standards and procedures of such State applicable

to projects in this category approved by him: *Provided further*, That such approval shall not be given unless such standards and procedures are in accordance with the objectives set forth in section 1 (b) of the Federal-Aid Highway Act of 1950: *And provided further*, That nothing contained in the foregoing provisos shall be construed to relieve any State of its obligation now provided by law relative to maintenance, nor to relieve the Secretary of Commerce of his obligation with respect to the selection of the secondary system or the location of projects thereon, to make a final inspection after construction of each project, and to require an adequate showing of the estimated and actual cost of construction of each project. Any Federal-aid primary, secondary, or urban funds released by the payment of the final voucher or by modification of the formal project agreement shall be credited to the same class of funds, primary, secondary, or urban, previously apportioned to the State and be immediately available for expenditure.

64 Stat. 785.

(c) TRANSFERS OF APPORTIONMENTS.—Not more than 20 per centum of the respective amounts apportioned to a State for any fiscal year from funds made available for expenditure under clause (A), clause (B), or clause (C) of subsection (a) (1) of this section, may be transferred to the apportionment made to such State under any other of such clauses, except that no such apportionment may be increased by more than 20 per centum by reason of transfers to it under this subsection: *Provided*, That such transfer is requested by the State highway department and is approved by the Governor of such State and the Secretary of Commerce as being in the public interest: *Provided further*, That the transfers hereinabove permitted for funds authorized to be appropriated for the fiscal years ending June 30, 1958, and June 30, 1959, shall likewise be permitted on the same basis for funds which may be hereafter authorized to be appropriated for any subsequent fiscal year: *And provided further*, That nothing herein contained shall be deemed to alter or impair the authority contained in the last proviso to paragraph (b) of section 3 of the Federal-Aid Highway Act of 1944.

58 Stat. 839.

#### SEC. 103. FOREST HIGHWAYS AND FOREST DEVELOPMENT ROADS AND TRAILS.

(a) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out the provisions of section 23 of the Federal Highway Act of 1921 (42 Stat. 218), as amended and supplemented, there is hereby authorized to be appropriated (1) for forest highways the sum of \$30,000,000 for the fiscal year ending June 30, 1958, and a like sum for the fiscal year ending June 30, 1959; and (2) for forest development roads and trails the sum of \$27,000,000 for the fiscal year ending June 30, 1958, and a like sum for the fiscal year ending June 30, 1959: *Provided*, That with respect to any proposed construction or reconstruction of a timber access road, advisory public hearings shall be held at a place convenient or adjacent to the area of construction or reconstruction with notice and reasonable opportunity for interested persons to present their views as to the practicability and feasibility of such construction or reconstruction: *Provided further*, That hereafter funds available for forest highways and forest development roads and trails shall also be available for adjacent vehicular parking areas and for sanitary, water, and fire control facilities: *And provided further*, That the appropriation herein authorized for forest highways shall be apportioned by the Secretary of Commerce for expenditure in the several States, Alaska, and Puerto Rico in accordance with the provisions of section 3 of the Federal-Aid Highway Act of 1950.

23 USC 23.

64 Stat. 786.  
23 USC 23 note.

(b) REPEAL OF CERTAIN APPORTIONMENT PROCEDURES.—The provision of section 23 of the Federal Highway Act of 1921, as amended and supplemented, requiring apportionment of funds authorized for forest development roads and trails among the several States, Alaska, and Puerto Rico is hereby repealed.

**SEC. 104. ROADS AND TRAILS IN NATIONAL PARKS, ETC.**

(a) NATIONAL PARKS, ETC.—For the construction, reconstruction, and improvement of roads and trails, inclusive of necessary bridges, in national parks, monuments, and other areas administered by the National Park Service, including areas authorized to be established as national parks and monuments, and national park and monument approach roads authorized by the Act of January 31, 1931 (46 Stat. 1053), as amended, there is hereby authorized to be appropriated the sum of \$16,000,000 for the fiscal year ending June 30, 1958, and a like sum for the fiscal year ending June 30, 1959.

(b) PARKWAYS.—For the construction, reconstruction, and improvement of parkways, authorized by Acts of Congress, on lands to which title is vested in the United States, there is hereby authorized to be appropriated the sum of \$16,000,000 for the fiscal year ending June 30, 1958, and a like sum for the fiscal year ending June 30, 1959.

(c) INDIAN RESERVATIONS AND LANDS.—For the construction, improvement, and maintenance of Indian reservation roads and bridges and roads and bridges to provide access to Indian reservations and Indian lands under the provisions of the Act approved May 26, 1928 (45 Stat. 750), there is hereby authorized to be appropriated the sum of \$12,000,000 for the fiscal year ending June 30, 1958, and a like sum for the fiscal year ending June 30, 1959: *Provided*, That the location, type, and design of all roads and bridges constructed shall be approved by the Secretary of Commerce before any expenditures are made thereon, and all such construction shall be under the general supervision of the Secretary of Commerce.

**SEC. 105. PUBLIC LANDS HIGHWAYS.**

For the purpose of carrying out the provisions of section 10 of the Federal-Aid Highway Act of 1950 (64 Stat. 785), there is hereby authorized to be appropriated for the survey, construction, reconstruction, and maintenance of main roads through unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations the additional sum of \$2,000,000 for the fiscal year ending June 30, 1957, and the sum of \$2,000,000 for the fiscal year ending June 30, 1958, and a like sum for the fiscal year ending June 30, 1959.

**SEC. 106. SPECIAL PROVISIONS FOR FEDERAL DOMAIN ROADS, ETC.**

Any funds authorized herein for forest highways, forest development roads and trails, park roads and trails, parkways, Indian roads, and public lands highways shall be available for contract upon apportionment, or a date not earlier than one year preceding the beginning of the fiscal year for which authorized if no apportionment is required: *Provided*, That any amount remaining unexpended two years after the close of the fiscal year for which authorized shall lapse. The Secretary of the department charged with the administration of such funds is hereby granted authority to incur obligations, approve projects, and enter into contracts under such authorizations, and his action in doing so shall be deemed a contractual obligation of the Federal Government for the payment of the cost thereof, and such funds shall be deemed to have been expended when so obligated. Any funds heretofore, herein, or hereafter authorized for any fiscal year for forest highways, forest development roads and trails, park roads and trails, parkways, Indian roads, and public lands highways shall be deemed

to have been expended if a sum equal to the total of the sums authorized for such fiscal year and previous fiscal years since and including the fiscal year ending June 30, 1955, shall have been obligated. Any of such funds released by payment of final voucher or modification of project authorizations shall be credited to the balance of unobligated authorizations and be immediately available for expenditure.

**SEC. 107. HIGHWAYS FOR ALASKA.**

(a) **APPORTIONMENT; MATCHING; SELECTION OF SYSTEMS.**—The Territory of Alaska shall be entitled to share in funds herein or hereafter authorized for expenditure for projects on the Federal-aid primary and secondary highway systems, and extensions thereof within urban areas, under the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), and Acts amendatory thereof or supplementary thereto, upon the same terms and conditions as the several States and Hawaii and Puerto Rico, and the Territory of Alaska shall be included in the calculations to determine the basis of apportionment of such funds, except that one-third only of the area of Alaska shall be used in the calculations to determine the area factor in the apportionment of such funds: *Provided*, That the Territory of Alaska shall contribute funds each fiscal year in an amount that shall be not less than 10 per centum of the Federal funds apportioned to it for such fiscal year, such contribution to be deposited in a special account in the Federal Treasury for use in conjunction with the Federal funds apportioned to the Territory. The system or systems of roads on which Federal-aid apportionments to the Territory of Alaska are to be expended shall be determined and agreed upon by the Governor of Alaska, the Territorial Highway Engineer of Alaska, and the Secretary of Commerce, without regard to the limitations contained in section 6 of the Federal Highway Act (42 Stat. 212), as amended and supplemented. The Federal funds apportioned to the Territory of Alaska and the funds contributed by such Territory in accordance herewith may be expended by the Secretary of Commerce either directly or in cooperation with the Territorial Board of Road Commissioners of Alaska, and may be so expended separately or in combination and without regard to the matching provisions of the Federal Highway Act (42 Stat. 212); and both such funds may be expended for the maintenance of roads within the system or systems of roads agreed upon under the same terms and conditions as for the construction of such roads.

23 USC 48 and  
note; 16 USC 503.

23 USC 6.

(b) **TRANSFER OF FUNCTIONS.**—Effective not more than ninety days after the approval of this Act, the functions, duties, and authority pertaining to the construction, repair, and maintenance of roads, tramways, ferries, bridges, trails, and other works in Alaska, conferred upon the Department of the Interior and heretofore administered by the Secretary of the Interior under the Act of June 30, 1932 (47 Stat. 446; 48 U. S. C., sec. 321a and following), are hereby transferred to the Department of Commerce, and thereafter shall be administered by the Secretary of Commerce, or under his direction, by such officer, or officers, as may be designated by him.

5 USC 485.

(c) **TRANSFER OF PERSONNEL, ETC.**—There are hereby transferred to the Department of Commerce, to be employed and expended in connection with the functions, duties, and authority transferred to said Department by subsection (b) hereof, all personnel employed in connection with any such functions, duties, or authority, and the unexpended balances of appropriations, allocations, or other funds now available, or that hereafter may be made available, for use in connection with such functions, duties, or authority; and the Department of the Interior is directed to turn over to the Secretary of Commerce all equipment, materials, supplies, papers, maps, and documents, or other

property (real or personal, and including office equipment and records) used or held in connection with such functions, duties, and authority.

(d) **EFFECTUATION OF TRANSFER.**—The Secretary of the Interior and the Secretary of Commerce shall take such steps as may be necessary or appropriate to effect the transfer from the Department of the Interior to the Department of Commerce of the functions, duties, and authority, and the funds and property, as herein provided for.

(e) **DISTRIBUTION OF FUNCTIONS.**—The Secretary of Commerce shall have power, by order or regulations, to distribute the functions, duties, and authority hereby transferred, and appropriations pertaining thereto, as he may deem proper to accomplish the economical and effective organization and administration thereof.

#### **SEC. 108. NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS.**

23 USC 60.  
Post, p. 381.

(a) **INTERSTATE SYSTEM.**—It is hereby declared to be essential to the national interest to provide for the early completion of the "National System of Interstate Highways", as authorized and designated in accordance with section 7 of the Federal-Aid Highway Act of 1944 (58 Stat. 838). It is the intent of the Congress that the Interstate System be completed as nearly as practicable over a thirteen-year period and that the entire System in all the States be brought to simultaneous completion. Because of its primary importance to the national defense, the name of such system is hereby changed to the "National System of Interstate and Defense Highways". Such National System of Interstate and Defense Highways is hereinafter in this Act referred to as the "Interstate System".

23 USC 60.  
Post, p. 381.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—For the purpose of expediting the construction, reconstruction, or improvement, inclusive of necessary bridges and tunnels, of the Interstate System, including extensions thereof through urban areas, designated in accordance with the provisions of section 7 of the Federal-Aid Highway Act of 1944 (58 Stat. 838), there is hereby authorized to be appropriated the additional sum of \$1,000,000,000 for the fiscal year ending June 30, 1957, which sum shall be in addition to the authorization heretofore made for that year, the additional sum of \$1,700,000,000 for the fiscal year ending June 30, 1958, the additional sum of \$2,000,000,000 for the fiscal year ending June 30, 1959, the additional sum of \$2,200,000,000 for the fiscal year ending June 30, 1960, the additional sum of \$2,200,000,000 for the fiscal year ending June 30, 1961, the additional sum of \$2,200,000,000 for the fiscal year ending June 30, 1962, the additional sum of \$2,200,000,000 for the fiscal year ending June 30, 1963, the additional sum of \$2,200,000,000 for the fiscal year ending June 30, 1964, the additional sum of \$2,200,000,000 for the fiscal year ending June 30, 1965, the additional sum of \$2,200,000,000 for the fiscal year ending June 30, 1966, the additional sum of \$2,200,000,000 for the fiscal year ending June 30, 1967, the additional sum of \$1,500,000,000 for the fiscal year ending June 30, 1968, and the additional sum of \$1,025,000,000 for the fiscal year ending June 30, 1969.

(c) **APPORTIONMENTS FOR 1957, 1958, AND 1959.**—The additional sums herein authorized for the fiscal years ending June 30, 1957, June 30, 1958, and June 30, 1959, shall be apportioned among the several States in the following manner: one-half in the ratio which the population of each State bears to the total population of all the States, as shown by the latest available Federal census: *Provided*, That no State shall receive less than three-fourths of 1 per centum of the money so apportioned; and one-half in the manner now provided by law for the apportionment of funds for the Federal-aid primary system. The additional sum herein authorized for the fiscal year ending June 30, 1957,

shall be apportioned immediately upon enactment of this Act. The additional sums herein authorized for the fiscal years ending June 30, 1958, and June 30, 1959, shall be apportioned on a date not less than six months and not more than twelve months in advance of the beginning of the fiscal year for which authorized.

(d) APPORTIONMENTS FOR SUBSEQUENT YEARS BASED UPON REVISED ESTIMATES OF COST.—All sums authorized by this section to be appropriated for the fiscal years 1960 through 1969, inclusive, shall be apportioned among the several States in the ratio which the estimated cost of completing the Interstate System in each State, as determined and approved in the manner provided in this subsection, bears to the sum of the estimated cost of completing the Interstate System in all of the States. Each apportionment herein authorized for the fiscal years 1960 through 1969, inclusive, shall be made on a date as far in advance of the beginning of the fiscal year for which authorized as practicable but in no case more than eighteen months prior to the beginning of the fiscal year for which authorized. As soon as the standards provided for in subsection (i) have been adopted, the Secretary of Commerce, in cooperation with the State highway departments, shall make a detailed estimate of the cost of completing the Interstate System as then designated, after taking into account all previous apportionments made under this section, based upon such standards and in accordance with rules and regulations adopted by him and applied uniformly to all of the States. The Secretary of Commerce shall transmit such estimate to the Senate and the House of Representatives within ten days subsequent to January 2, 1958. Upon approval of such estimate by the Congress by concurrent resolution, the Secretary of Commerce shall use such approved estimate in making apportionments for the fiscal years ending June 30, 1960, June 30, 1961, and June 30, 1962. The Secretary of Commerce shall make a revised estimate of the cost of completing the then designated Interstate System, after taking into account all previous apportionments made under this section, in the same manner as stated above, and transmit the same to the Senate and the House of Representatives within ten days subsequent to January 2, 1962. Upon approval of such estimate by the Congress by concurrent resolution, the Secretary of Commerce shall use such approved estimate in making apportionments for the fiscal years ending June 30, 1963, June 30, 1964, June 30, 1965, and June 30, 1966. The Secretary of Commerce shall make a revised estimate of the cost of completing the then designated Interstate System, after taking into account all previous apportionments made under this section, in the same manner as stated above, and transmit the same to the Senate and the House of Representatives within ten days subsequent to January 2, 1966, and annually thereafter through and including January 2, 1968. Upon approval of any such estimate by the Congress by concurrent resolution, the Secretary of Commerce shall use such approved estimate in making apportionments for the fiscal year which begins next following the fiscal year in which such report is transmitted to the Senate and the House of Representatives. Whenever the Secretary of Commerce, pursuant to this subsection, requests and receives estimates of cost from the State highway departments, he shall furnish copies of such estimates at the same time to the Senate and the House of Representatives.

Transmittal of  
estimate to Con-  
gress.

(e) FEDERAL SHARE.—The Federal share payable on account of any project on the Interstate System provided for by funds made available under the provisions of this section shall be increased to 90 per centum of the total cost thereof, plus a percentage of the remaining 10 per centum of such cost in any State containing unappropriated and un-

reserved public lands and nontaxable Indian lands, individual and tribal, exceeding 5 per centum of the total area of all lands therein, equal to the percentage that the area of such lands in such State is of its total area: *Provided*, That such Federal share payable on any project in any State shall not exceed 95 per centum of the total cost of such project.

(f) AVAILABILITY FOR EXPENDITURE.—Any sums apportioned to any State under the provisions of this section shall be available for expenditure in that State for two years after the close of the fiscal year for which such sums are authorized: *Provided*, That such funds for any fiscal year shall be deemed to be expended if a sum equal to the total of the sums apportioned to the State specifically for the Interstate System for such fiscal year and previous fiscal years is covered by formal agreements with the Secretary of Commerce for the construction, reconstruction, or improvement of specific projects under this section.

(g) LAPSE OF AMOUNTS APPORTIONED.—Any amount apportioned to the States under the provisions of this section unexpended at the end of the period during which it is available for expenditure under the terms of subsection (f) of this section shall lapse, and shall immediately be reapportioned among the other States in accordance with the provisions of subsection (d) of this section: *Provided*, That any Interstate System funds released by the payment of the final voucher or by the modification of the formal project agreement shall be credited to the Interstate System funds previously apportioned to the State and be immediately available for expenditure.

(h) CONSTRUCTION BY STATES IN ADVANCE OF APPORTIONMENT.—In any case in which a State has obligated all funds apportioned to it under this section and proceeds, subsequent to the date of enactment of this Act, to construct (without the aid of Federal funds) any project (including one or more parts of any project) on the Interstate System, as designated at that time, in accordance with all procedures and all requirements applicable to projects financed under the provisions of this section (except insofar as such procedures and requirements limit a State to the construction of projects with the aid of Federal funds previously apportioned to it), the Secretary of Commerce, upon application by such State and his approval of such application, is authorized, whenever additional funds are apportioned to such State under this section, to pay to such State from such funds the Federal share of the costs of construction of such project: *Provided*, That prior to construction of any such project, the plans and specifications therefor shall have been approved by the Secretary of Commerce in the same manner as other projects on the Interstate System: *Provided further*, That any such project shall conform to the standards adopted under subsection (i). In determining the apportionment for any fiscal year under the provisions of subsection (d) of this section, any such project constructed by a State without the aid of Federal funds shall not be considered completed until an application under the provisions of this subsection with respect to such project has been approved by the Secretary of Commerce.

(i) STANDARDS.—The geometric and construction standards to be adopted for the Interstate System shall be those approved by the Secretary of Commerce in cooperation with the State highway departments. Such standards shall be adequate to accommodate the types and volumes of traffic forecast for the year 1975. The right-of-way width of the Interstate System shall be adequate to permit construction of projects on the Interstate System up to such standards. The Secretary of Commerce shall apply such standards uniformly throughout the States. Such standards shall be adopted by

the Secretary of Commerce in cooperation with the State highway departments as soon as practicable after the enactment of this Act.

(j) **MAXIMUM WEIGHT AND WIDTH LIMITATIONS.**—No funds authorized to be appropriated for any fiscal year by this section shall be apportioned to any State within the boundaries of which the Interstate System may lawfully be used by vehicles with weight in excess of eighteen thousand pounds carried on any one axle, or with a tandem-axle weight in excess of thirty-two thousand pounds, or with an overall gross weight in excess of 73,280 pounds, or with a width in excess of 96 inches, or the corresponding maximum weights or maximum widths permitted for vehicles using the public highways of such State under laws or regulations established by appropriate State authority in effect on July 1, 1956, whichever is the greater. Any amount which is withheld from apportionment to any State pursuant to the foregoing provisions shall lapse: *Provided, however,* That nothing herein shall be construed to deny apportionment to any State allowing the operation within such State of any vehicles or combinations thereof that could be lawfully operated within such State on July 1, 1956.

(k) **TESTS TO DETERMINE MAXIMUM DESIRABLE DIMENSIONS AND WEIGHTS.**—The Secretary of Commerce is directed to take all action possible to expedite the conduct of a series of tests now planned or being conducted by the Highway Research Board of the National Academy of Sciences, in cooperation with the Bureau of Public Roads, the several States, and other persons and organizations, for the purpose of determining the maximum desirable dimensions and weights for vehicles operated on the Federal-aid highway systems, including the Interstate System, and, after the conclusion of such tests, but not later than March 1, 1959, to make recommendations to the Congress with respect to such maximum desirable dimensions and weights.

(l) **INCREASE IN MILEAGE.**—Section 7 of the Federal-Aid Highway Act of 1944 (58 Stat. 838), relating to the Interstate System, is hereby amended by striking out "forty thousand", and inserting in lieu thereof "forty-one thousand": *Provided*, That the cost of completing any mileage designated from the one thousand additional miles authorized by this subsection shall be excluded in making the estimates of cost for completing the Interstate System as provided in subsection (d) of this section.

23 USC 60.

**SEC. 109. ACQUISITION OF RIGHTS-OF-WAY FOR INTERSTATE SYSTEM.**

(a) **FEDERAL ACQUISITION FOR STATES.**—In any case in which the Secretary of Commerce is requested by any State to acquire any lands or interests in lands (including within the term "interests in lands", the control of access thereto from adjoining lands) required by such State for right-of-way or other purposes in connection with the prosecution of any project for the construction, reconstruction, or improvement of any section of the Interstate System, the Secretary of Commerce is authorized, in the name of the United States and prior to the approval of title by the Attorney General, to acquire, enter upon, and take possession of such lands or interests in lands by purchase, donation, condemnation, or otherwise in accordance with the laws of the United States (including the Act of February 26, 1931, 46 Stat. 1421), if—

40 USC 258a-  
258e.

(1) the Secretary of Commerce has determined either that such State is unable to acquire necessary lands or interests in lands, or is unable to acquire such lands or interests in lands with sufficient promptness; and

(2) such State has agreed with the Secretary of Commerce to pay, at such time as may be specified by the Secretary of Commerce, an amount equal to 10 per centum of the costs incurred by

the Secretary of Commerce, in acquiring such lands or interests in lands, or such lesser percentage which represents the State's pro rata share of project costs as determined in accordance with section 108 (e) of this title.

The authority granted by this section shall also apply to lands and interests in lands received as grants of land from the United States and owned or held by railroads or other corporations.

(b) **COSTS OF ACQUISITION.**—The costs incurred by the Secretary of Commerce in acquiring any such lands or interests in lands may include the cost of examination and abstract of title, certificate of title, advertising, and any fees incidental to such acquisition. All costs incurred by the Secretary of Commerce in connection with the acquisition of any such lands or interests in lands shall be paid from the funds for construction, reconstruction, or improvement of the Interstate System apportioned to the State upon the request of which such lands or interests in lands are acquired, and any sums paid to the Secretary of Commerce by such State as its share of the costs of acquisition of such lands or interests in lands shall be deposited in the Treasury to the credit of the appropriation for Federal-aid highways and shall be credited to the amount apportioned to such State as its apportionment of funds for construction, reconstruction, or improvement of the Interstate System, or shall be deducted from other moneys due the State for reimbursement under section 108 of this title.

(c) **CONVEYANCE OF ACQUIRED LANDS TO THE STATES.**—The Secretary of Commerce is further authorized and directed by proper deed, executed in the name of the United States, to convey any such lands or interests in lands acquired in any State under the provisions of this section, except the outside five feet of any such right-of-way in any State which does not provide control of access, to the State highway department of such State or such political subdivisions thereof as its laws may provide, upon such terms and conditions as to such lands or interests in lands as may be agreed upon by the Secretary of Commerce and the State highway department or political subdivisions to which the conveyance is to be made. Whenever the State makes provision for control of access satisfactory to the Secretary of Commerce, the outside five feet then shall be conveyed to the State by the Secretary of Commerce, as herein provided.

(d) **RIGHTS-OF-WAY OVER PUBLIC LANDS.**—Whenever rights-of-way, including control of access, on the Interstate System are required over public lands or reservations of the United States, the Secretary of Commerce may make such arrangements with the agency having jurisdiction over such lands as may be necessary to give the State or other person constructing the projects on such lands adequate rights-of-way and control of access thereto from adjoining lands, and any such agency is hereby directed to cooperate with the Secretary of Commerce in this connection.

**SEC. 110. AVAILABILITY OF FUNDS TO ACQUIRE RIGHTS-OF-WAY AND TO MAKE ADVANCES TO THE STATES.**

(a) **ADVANCE RIGHT-OF-WAY ACQUISITIONS.**—For the purpose of facilitating the acquisition of rights-of-way on any of the Federal-aid highway systems, including the Interstate System, in the most expeditious and economical manner, and recognizing that the acquisition of rights-of-way requires lengthy planning and negotiations if it is to be done at a reasonable cost, the Secretary of Commerce is hereby authorized, upon request of a State highway department, to make available to such State for acquisition of rights-of-way, in anticipation of construction and under such rules and regulations as the Secretary of Commerce may prescribe, the funds apportioned to such State for expenditure on any of the Federal-aid highway systems,

including the Interstate System: *Provided*, That the agreement between the Secretary of Commerce and the State highway department for the reimbursement of the cost of such rights-of-way shall provide for the actual construction of a road on such rights-of-way within a period not exceeding five years following the fiscal year in which such request is made: *Provided further*, That Federal participation in the cost of rights-of-way so acquired shall not exceed the Federal pro rata share applicable to the class of funds from which Federal reimbursement is made.

(b) ADVANCES TO STATES.—Section 6 of the Federal-Aid Highway Act of 1944 is hereby amended to read as follows:

58 Stat. 841.

"SEC. 6. If the Secretary of Commerce shall determine that it is necessary for the expeditious completion of projects on any of the Federal-aid highway systems, including the Interstate System, he may advance to any State out of any existing appropriations the Federal share of the cost of construction thereof to enable the State highway department to make prompt payments for acquisition of rights-of-way, and for construction as it progresses. The sums so advanced shall be deposited in a special revolving trust fund, by the State official authorized under the laws of the State to receive Federal-aid highway funds, to be disbursed solely upon vouchers approved by the State highway department for rights-of-way which have been or are being acquired, and for construction which has been actually performed and approved by the Secretary of Commerce. Upon determination by the Secretary of Commerce that any part of the funds advanced to any State under the provisions of this section are no longer required, the amount of the advance which is determined to be in excess of current requirements of the State shall be repaid upon his demand, and such repayments shall be returned to the credit of the appropriation from which the funds were advanced. Any sums advanced and not repaid on demand shall be deducted from sums due the State for the Federal pro rata share of the cost of construction of Federal-aid projects."

**SEC. 111. RELOCATION OF UTILITY FACILITIES.**

(a) AVAILABILITY OF FEDERAL FUNDS FOR REIMBURSEMENT TO STATES.—Subject to the conditions contained in this section, whenever a State shall pay for the cost of relocation of utility facilities necessitated by the construction of a project on the Federal-aid primary or secondary systems or on the Interstate System, including extensions thereof within urban areas, Federal funds may be used to reimburse the State for such cost in the same proportion as Federal funds are expended on the project: *Provided*, That Federal funds shall not be apportioned to the States under this section when the payment to the utility violates the law of the State or violates a legal contract between the utility and the State.

(b) UTILITY DEFINED.—For the purposes of this section, the term "utility" shall include publicly, privately, and cooperatively owned utilities.

(c) COST OF RELOCATION DEFINED.—For the purposes of this section, the term "cost of relocation" shall include the entire amount paid by such utility properly attributable to such relocation after deducting therefrom any increase in the value of the new facility and any salvage value derived from the old facility.

**SEC. 112. AGREEMENTS RELATING TO USE OF AND ACCESS TO RIGHTS-OF-WAY.**

All agreements between the Secretary of Commerce and the State highway department for the construction of projects on the Interstate System shall contain a clause providing that the State will not add

any points of access to, or exit from, the project in addition to those approved by the Secretary in the plans for such project, without the prior approval of the Secretary. Such agreements shall also contain a clause providing that the State will not permit automotive service stations or other commercial establishments for serving motor vehicle users to be constructed or located on the rights-of-way of the Interstate System. Such agreements may, however, authorize a State or political subdivision thereof to use the air space above and below the established grade line of the highway pavement for the parking of motor vehicles provided such use does not interfere in any way with the free flow of traffic on the Interstate System.

**SEC. 113. TOLL ROADS, BRIDGES, AND TUNNELS.**

(a) APPROVAL AS PART OF INTERSTATE SYSTEM.—Upon a finding by the Secretary of Commerce that such action will promote the development of an integrated Interstate System, the Secretary is authorized to approve as part of the Interstate System any toll road, bridge, or tunnel, now or hereafter constructed which meets the standards adopted for the improvement of projects located on the Interstate System, whenever such toll road, bridge, or tunnel is located on a route heretofore or hereafter designated as a part of the Interstate System: *Provided*, That no Federal-aid highway funds shall be expended for the construction, reconstruction, or improvement of any such toll road except to the extent hereafter permitted by law: *Provided further*, That no Federal-aid highway funds shall be expended for the construction, reconstruction, or improvement of any such toll bridge or tunnel except to the extent now or hereafter permitted by law.

(b) APPROACHES HAVING OTHER USE.—The funds authorized under this title, or under prior Acts, shall be available for expenditure on projects approaching any toll road, bridge, or tunnel to a point where such project will have some use irrespective of its use for such toll road, bridge, or tunnel.

(c) APPROACHES HAVING NO OTHER USE.—The funds authorized under section 108 (b) of this title, or under prior Acts, shall be available for expenditure on Interstate System projects approaching any toll road on the Interstate System, even though the project has no use other than as an approach to such toll road: *Provided*, That agreement satisfactory to the Secretary of Commerce has been reached with the State prior to approval of any such project (1) that the section of toll road will become free to the public upon the collection of tolls sufficient to liquidate the cost of the toll road or any bonds outstanding at the time constituting a valid lien against said section of toll road covered in the agreement and their maintenance and operation and debt service during the period of toll collections, and (2) that there is one or more reasonably satisfactory alternate free routes available to traffic by which the toll section of the System may be bypassed.

(d) EFFECT ON CERTAIN PRIOR ACTS.—Nothing in this title shall be deemed to repeal the Act approved March 3, 1927 (44 Stat. 1398), or subsection (g) of section 204 of the National Industrial Recovery Act (48 Stat. 200), and such Acts are hereby amended to include tunnels as well as bridges.

**SEC. 114. DETERMINATION OF POLICY WITH RESPECT TO REIMBURSEMENT FOR CERTAIN HIGHWAYS.**

It is hereby declared to be the intent and policy of the Congress to determine whether or not the Federal Government should equitably reimburse any State for a portion of a highway which is on the Interstate System, whether toll or free, the construction of which has been completed subsequent to August 2, 1947, or which is either in actual use or under construction by contract, for completion, awarded not later than June 30, 1957: *Provided*, That such highway meets the

standards required by this title for the Interstate System. The time, method, and amounts of such reimbursement, if any, shall be determined by the Congress following a study which the Secretary of Commerce is hereby authorized and directed to conduct, in cooperation with the State highway departments, and other agencies as may be required, to determine which highways in the Interstate System measure up to the standards required by this title, including all related factors of cost, depreciation, participation of Federal funds, and any other items relevant thereto. A complete report of the results of such study shall be submitted to the Congress within ten days subsequent to January 2, 1958.

Report to Con-  
gress.

**SEC. 115. PREVAILING RATE OF WAGE.**

(a) **APPLICATION OF DAVIS-BACON ACT.**—The Secretary of Commerce shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors on the initial construction work performed on highway projects on the Interstate System authorized under section 108 of this title shall be paid wages at rates not less than those prevailing on the same type of work on similar construction in the immediate locality as determined by the Secretary of Labor in accordance with the Act of August 30, 1935, known as the Davis-Bacon Act (40 U. S. C., sec. 276-a).

46 Stat. 1494.  
40 USC 276-a  
276a-6.

(b) **CONSULTATION WITH STATE HIGHWAY DEPARTMENTS; PREDETERMINATION OF RATES.**—In carrying out the duties of the foregoing subsection, the Secretary of Labor shall consult with the highway department of the State in which a project on the Interstate System is to be performed. After giving due regard to the information thus obtained, he shall make a predetermination of the minimum wages to be paid laborers and mechanics in accordance with the provisions of the foregoing subsection which shall be set out in each project advertisement for bids and in each bid proposal form and shall be made a part of the contract covering the project.

**SEC. 116. DECLARATIONS OF POLICY WITH RESPECT TO FEDERAL-AID HIGHWAY PROGRAM.**

(a) **ACCELERATION OF PROGRAM.**—It is hereby declared to be in the national interest to accelerate the construction of the Federal-aid highway systems, including the Interstate System, since many of such highways, or portions thereof, are in fact inadequate to meet the needs of local and interstate commerce, the national and the civil defense.

(b) **COMPLETION OF INTERSTATE SYSTEM; PROGRESS REPORT ON FEDERAL-AID HIGHWAY PROGRAM.**—It is further declared that one of the most important objectives of this Act is the prompt completion of the Interstate System. Insofar as possible in consonance with this objective, existing highways located on an interstate route shall be used to the extent that such use is practicable, suitable, and feasible, it being the intent that local needs, to the extent practicable, suitable, and feasible, shall be given equal consideration with the needs of interstate commerce. The Secretary of Commerce is hereby directed to submit to the Congress not later than February 1, 1959, a report on the progress made in attaining the objectives set forth in this subsection and in subsection (a), together with recommendations.

Report to Con-  
gress.

(c) **PUBLIC HEARINGS.**—Any State highway department which submits plans for a Federal-aid highway project involving the bypassing of, or going through, any city, town, or village, either incorporated or unincorporated, shall certify to the Commissioner of Public Roads that it has had public hearings, or has afforded the opportunity for such hearings, and has considered the economic effects of such a location: *Provided*, That, if such hearings have been held, a copy of the tran-

script of said hearings shall be submitted to the Commissioner of Public Roads, together with the certification.

(d) **PARTICIPATION BY SMALL BUSINESS ENTERPRISES.**—It is hereby declared to be in the national interest to encourage and develop the actual and potential capacity of small business and to utilize this important segment of our economy to the fullest practicable extent in construction of the Federal-aid highway systems, including the Interstate System. In order to carry out that intent and encourage full and free competition, the Secretary of Commerce should assist, insofar as feasible, small business enterprises in obtaining contracts in connection with the prosecution of the highway program.

#### SEC. 117. HIGHWAY SAFETY STUDY.

The Secretary of Commerce is authorized and directed to make a full and complete investigation and study for the purpose of determining what action can be taken by the Federal Government to promote the public welfare by increasing highway safety in the United States. In making such investigation and study the Secretary of Commerce shall give consideration to—

- (1) the need for Federal assistance to State and local governments in the enforcement of necessary highway safety and speed requirements and the forms such assistance should take;
- (2) the advisability and practicability of uniform State and local highway safety and speed laws and what steps should be taken by the Federal Government to promote the adoption of such uniform laws;
- (3) possible means of promoting highway safety in the manufacture of the various types of vehicles used on the highways;
- (4) educational programs to promote highway safety;
- (5) the design and physical characteristics of highways; and
- (6) such other matters as it may deem advisable and appropriate.

*Report to Congress.*

68 Stat. 74.  
23 USC 21-1.

The Secretary of Commerce shall report his findings, together with such recommendations as he may deem advisable, to the Congress not later than March 1, 1959. The Secretary of Commerce shall conduct such study and investigation under the general authority contained in section 10 of the Federal-Aid Highway Act of 1954; except that the amount expended for the purposes of this section shall not exceed \$200,000.

#### SEC. 118. EMERGENCY FUND.

Section 7 of the Federal-Aid Highway Act of 1952 (66 Stat. 158) is hereby amended to read as follows:

“SEC. 7. There is hereby authorized an emergency fund in the amount of \$30,000,000 for expenditure by the Secretary of Commerce, in accordance with the provisions of the Federal-Aid Road Act approved July 11, 1916, as amended and supplemented, after receipt of an application therefor from the highway department of any State, in the repair or reconstruction of highways and bridges on the Federal-aid highway systems, including the Interstate System, which he shall find have suffered serious damage as the result of disaster over a wide area, such as by floods, hurricanes, tidal waves, earthquakes, severe storms, landslides, or other catastrophes in any part of the United States. The appropriation of such moneys as may be necessary for the establishment of the fund in accordance with the provisions of this section and for its replenishment on an annual basis is hereby authorized: *Provided*, That pending the appropriation of such sum, or its replenishment, the Secretary of Commerce may expend, from existing Federal-aid highway appropriations, such sums as may be necessary for the immediate prosecution of the work herein author-

39 Stat. 355.  
23 USC 48 and  
note; 16 USC 503.

ized, such appropriations to be reimbursed from the appropriation herein authorized when made: *Provided further*, That no expenditures shall be made hereunder with respect to any such catastrophe in any State unless an emergency has been declared by the Governor of such State and concurred in by the Secretary of Commerce: *Provided further*, That the Federal share payable on account of any repair or reconstruction project provided for by funds made available under this section shall not exceed 50 per centum of the cost thereof: *And provided further*, That the funds herein authorized shall be available for use on any projects programmed and approved at any time during the fiscal year ending June 30, 1956, and thereafter, which meet the provisions of this section, including projects which may have been previously approved during the fiscal year ending June 30, 1956, from any other category of funds under the Federal-Aid Road Act approved July 11, 1916, as amended and supplemented."

#### SEC. 119. DEFINITION OF CONSTRUCTION.

The definition of the term "construction" in section 1 of the Federal-Aid Highway Act of 1944 is hereby amended by inserting after "mapping" the following: "(including the establishment of temporary and permanent geodetic markers in accordance with specifications of the Coast and Geodetic Survey in the Department of Commerce)".

58 Stat. 838.  
23 USC 62 note.

#### SEC. 120. ARCHEOLOGICAL AND PALEONTOLOGICAL SALVAGE.

Funds authorized by this title to be appropriated, to the extent approved as necessary by the highway department of any State, may be used for archeological and paleontological salvage in that State in compliance with the Act entitled "An Act for the preservation of American antiquities", approved June 8, 1906 (34 Stat. 225), and State laws where applicable.

16 USC 431-433.

#### SEC. 121. MAPPING.

In carrying out the provisions of this title the Secretary of Commerce may, wherever practicable, authorize the use of photogrammetric methods in mapping, and the utilization of commercial enterprise for such services.

#### SEC. 122. RELATIONSHIP OF THIS TITLE TO OTHER ACTS; EFFECTIVE DATE.

All provisions of the Federal-Aid Road Act approved July 11, 1916, together with all Acts amendatory thereof or supplementary thereto, not inconsistent with this title, shall remain in full force and effect and be applicable hereto. All Acts or parts of Acts in any way inconsistent with the provisions of this title are hereby repealed. This title shall take effect on the date of the enactment of this Act.

39 Stat. 355.  
23 USC 48 and  
note; 16 USC 503.

## TITLE II—HIGHWAY REVENUE ACT OF 1956

#### SEC. 201. SHORT TITLE FOR TITLE II.

(a) **SHORT TITLE.**—This title may be cited as the "Highway Revenue Act of 1956".

(b) **AMENDMENT OF 1954 CODE.**—Whenever in this title an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

#### SEC. 202. INCREASE IN TAXES ON DIESEL FUEL AND ON SPECIAL MOTOR FUELS.

(a) **DIESEL FUEL.**—Subsection (a) of section 4041 (relating to tax on diesel fuel) is amended by striking out "2 cents a gallon" and in-

68A Stat. 478.  
26 USC 4041.

serting in lieu thereof "3 cents a gallon", and by adding after paragraph (2) the following:

"In the case of a liquid taxable under this subsection sold for use or used as a fuel in a diesel-powered highway vehicle (A) which (at the time of such sale or use) is not registered, and is not required to be registered, for highway use under the laws of any State or foreign country, or (B) which, in the case of a diesel-powered highway vehicle owned by the United States, is not used on the highway, the tax imposed by paragraph (1) or by paragraph (2) shall be 2 cents a gallon in lieu of 3 cents a gallon. If a liquid on which tax was imposed by paragraph (1) at the rate of 2 cents a gallon by reason of the preceding sentence is used as a fuel in a diesel-powered highway vehicle (A) which (at the time of such use) is registered, or is required to be registered, for highway use under the laws of any State or foreign country, or (B) which, in the case of a diesel-powered highway vehicle owned by the United States, is used on the highway, a tax of 1 cent a gallon shall be imposed under paragraph (2)."

(b) SPECIAL MOTOR FUELS.—Subsection (b) of section 4041 (relating to special motor fuels) is amended by striking out "2 cents a gallon" and inserting in lieu thereof "3 cents a gallon", and by adding after paragraph (2) the following:

"In the case of a liquid taxable under this subsection sold for use or used otherwise than as a fuel for the propulsion of a highway vehicle (A) which (at the time of such sale or use) is registered, or is required to be registered, for highway use under the laws of any State or foreign country, or (B) which, in the case of a highway vehicle owned by the United States, is used on the highway, the tax imposed by paragraph (1) or by paragraph (2) shall be 2 cents a gallon in lieu of 3 cents a gallon. If a liquid on which tax was imposed by paragraph (1) at the rate of 2 cents a gallon by reason of the preceding sentence is used as a fuel for the propulsion of a highway vehicle (A) which (at the time of such use) is registered, or is required to be registered, for highway use under the laws of any State or foreign country, or (B) which, in the case of a highway vehicle owned by the United States, is used on the highway, a tax of 1 cent a gallon shall be imposed under paragraph (2)."

(c) RATE REDUCTION.—Subsection (c) of section 4041 (relating to rate reduction) is amended to read as follows:

"(c) RATE REDUCTION.—On and after July 1, 1972—

"(1) the taxes imposed by this section shall be 1½ cents a gallon; and

"(2) the second and third sentences of subsections (a) and (b) shall not apply."

#### **SEC. 203. INCREASE IN TAX ON TRUCKS, TRUCK TRAILERS, BUSES, ETC.**

68A Stat. 481.  
26 USC 4061.

So much of paragraph (1) of section 4061 (a) (relating to tax on trucks, truck trailers, buses, etc.) as precedes "Automobile truck chassis" is amended to read as follows:

"(1) Articles taxable at 10 percent, except that on and after July 1, 1972, the rate shall be 5 percent—".

#### **SEC. 204. INCREASE IN TAXES ON TIRES OF THE TYPE USED ON HIGHWAY VEHICLES; TAX ON TREAD RUBBER, ETC.**

68A Stat. 482.  
26 USC 4071.

(a) IN GENERAL.—Section 4071 (relating to tax on tires and tubes) is amended to read as follows:

#### **SEC. 4071. IMPOSITION OF TAX.**

"(a) IMPOSITION AND RATE OF TAX.—There is hereby imposed upon the following articles, if wholly or in part of rubber, sold by the manufacturer, producer, or importer, a tax at the following rates:

- “(1) Tires of the type used on highway vehicles, 8 cents a pound.
- “(2) Other tires, 5 cents a pound.
- “(3) Inner tubes for tires, 9 cents a pound.
- “(4) Tread rubber, 3 cents a pound.

“(b) DETERMINATION OF WEIGHT.—For purposes of this section, weight shall be based on total weight, except that in the case of tires such total weight shall be exclusive of metal rims or rim bases. Total weight of the articles shall be determined under regulations prescribed by the Secretary or his delegate.

“(c) RATE REDUCTION.—On and after July 1, 1972—

- “(1) the tax imposed by paragraph (1) of subsection (a) shall be 5 cents a pound; and
- “(2) paragraph (4) of subsection (a) shall not apply.”

(b) TREAD RUBBER DEFINED.—Section 4072 (defining the term “rubber”) is amended to read as follows:

68A Stat. 482.  
26 USC 4072.

#### “SEC. 4072. DEFINITIONS.

“(a) RUBBER.—For purposes of this chapter, the term ‘rubber’ includes synthetic and substitute rubber.

“(b) TREAD RUBBER.—For purposes of this chapter, the term ‘tread rubber’ means any material—

- “(1) which is commonly or commercially known as tread rubber or camelback; or
- “(2) which is a substitute for a material described in paragraph (1) and is of a type used in recapping or retreading tires.

“(c) TIRES OF THE TYPE USED ON HIGHWAY VEHICLES.—For purposes of this part, the term ‘tires of the type used on highway vehicles’ means tires of the type used on—

- “(1) motor vehicles which are highway vehicles, or
- “(2) vehicles of the type used in connection with motor vehicles which are highway vehicles.”

(c) EXEMPTION OF CERTAIN TREAD RUBBER FROM TAX.—Section 4073 (relating to exemptions) is amended by adding at the end thereof the following new subsection:

26 USC 4073.

“(c) EXEMPTION FROM TAX ON TREAD RUBBER IN CERTAIN CASES.—Under regulations prescribed by the Secretary or his delegate, the tax imposed by section 4071 (a) (4) shall not apply to tread rubber sold by the manufacturer, producer, or importer, to any person for use by such person otherwise than in the recapping or retreading of tires of the type used on highway vehicles.”

(d) TECHNICAL AMENDMENT.—The table of sections for part II of subchapter A of chapter 32 is amended by striking out

“Sec. 4072. Definition of rubber.”

and inserting in lieu thereof

“Sec. 4072. Definitions.”

#### SEC. 205. INCREASE IN TAX ON GASOLINE.

Section 4081 (relating to tax on gasoline) is amended to read as follows:

26 USC 4081.

#### “SEC. 4081. IMPOSITION OF TAX.

“(a) IN GENERAL.—There is hereby imposed on gasoline sold by the producer or importer thereof, or by any producer of gasoline, a tax of 3 cents a gallon.

“(b) RATE REDUCTION.—On and after July 1, 1972, the tax imposed by this section shall be 1½ cents a gallon.”

#### SEC. 206. TAX ON USE OF CERTAIN VEHICLES.

(a) IMPOSITION OF TAX.—Chapter 36 (relating to certain other excise taxes) is amended by adding at the end thereof the following new subchapter:

68A Stat. 529.  
26 USC 4451-  
4474.

**"Subchapter D—Tax on Use of Certain Vehicles"**

"Sec. 4481. Imposition of tax.

"Sec. 4482. Definitions.

"Sec. 4483. Exemptions.

"Sec. 4484. Cross reference.

**"SEC. 4481. IMPOSITION OF TAX."**

"(a) IMPOSITION OF TAX.—A tax is hereby imposed on the use of any highway motor vehicle which (together with the semitrailers and trailers customarily used in connection with highway motor vehicles of the same type as such highway motor vehicle) has a taxable gross weight of more than 26,000 pounds, at the rate of \$1.50 a year for each 1,000 pounds of taxable gross weight or fraction thereof.

"(b) BY WHOM PAID.—The tax imposed by this section shall be paid by the person in whose name the highway motor vehicle is, or is required to be, registered under the law of the State in which such vehicle is, or is required to be, registered, or, in case the highway motor vehicle is owned by the United States, by the agency or instrumentality of the United States operating such vehicle.

"(c) PRORATION OF TAX.—If in any year the first use of the highway motor vehicle is after July 31, the tax shall be reckoned proportionately from the first day of the month in which such use occurs to and including the 30th day of June following.

"(d) ONE PAYMENT PER YEAR.—If the tax imposed by this section is paid with respect to any highway motor vehicle for any year, no further tax shall be imposed by this section for such year with respect to such vehicle.

"(e) PERIOD TAX IN EFFECT.—The tax imposed by this section shall apply only to use after June 30, 1956, and before July 1, 1972.

**"SEC. 4482. DEFINITIONS."**

"(a) HIGHWAY MOTOR VEHICLE.—For purposes of this subchapter, the term 'highway motor vehicle' means any motor vehicle which is a highway vehicle.

"(b) TAXABLE GROSS WEIGHT.—For purposes of this subchapter, the term 'taxable gross weight', when used with respect to any highway motor vehicle, means the sum of—

"(1) the actual unloaded weight of—

"(A) such highway motor vehicle fully equipped for service, and

"(B) the semitrailers and trailers (fully equipped for service) customarily used in connection with highway motor vehicles of the same type as such highway motor vehicle, and

"(2) the weight of the maximum load customarily carried on highway motor vehicles of the same type as such highway motor vehicle and on the semitrailers and trailers referred to in paragraph (1) (B).

Taxable gross weight shall be determined under regulations prescribed by the Secretary or his delegate (which regulations may include formulas or other methods for determining the taxable gross weight of vehicles by classes, specifications, or otherwise).

"(c) OTHER DEFINITIONS.—For purposes of this subchapter—

"(1) STATE.—The term 'State' means a State, a Territory of the United States, and the District of Columbia.

"(2) YEAR.—The term 'year' means the one-year period beginning on July 1.

"(3) USE.—The term 'use' means use in the United States on the public highways.

**"SEC. 4483. EXEMPTIONS."**

"(a) STATE AND LOCAL GOVERNMENTAL EXEMPTION.—Under regulations prescribed by the Secretary or his delegate, no tax shall be imposed by section 4481 on the use of any highway motor vehicle by any State or any political subdivision of a State.

"(b) EXEMPTION FOR UNITED STATES.—The Secretary may authorize exemption from the tax imposed by section 4481 as to the use by the United States of any particular highway motor vehicle, or class of highway motor vehicles, if he determines that the imposition of such tax with respect to such use will cause substantial burden or expense which can be avoided by granting tax exemption and that full benefit of such exemption, if granted, will accrue to the United States.

"(c) CERTAIN TRANSIT-TYPE BUSES.—Under regulations prescribed by the Secretary or his delegate, no tax shall be imposed by section 4481 on the use of any bus which is of the transit type (rather than of the intercity type) by a person who, for the last 3 months of the preceding year (or for such other period as the Secretary or his delegate may by regulations prescribe for purposes of this subsection), met the 60-percent passenger fare revenue test set forth in section 6421 (b) (2) as applied to the period prescribed for purposes of this subsection.

**"SEC. 4484. CROSS REFERENCE."**

**"For penalties and administrative provisions applicable to this subchapter, see subtitle F."**

(b) MODE AND TIME OF COLLECTION OF TAX.—Section 6302 (b) (relating to discretion as to method of collecting tax) is amended by inserting "section 4481 of chapter 36," after "33".

68A Stat. 775.  
26 USC 6302.

(c) TECHNICAL AMENDMENT.—The table of subchapters for chapter 36 is amended by adding at the end thereof the following:

"Subchapter D. Tax on use of certain vehicles."

**SEC. 207. FLOOR STOCKS TAXES.**

(a) IMPOSITION OF TAXES.—Subchapter F of chapter 32 (special provisions applicable to manufacturers excise taxes) is amended by renumbering section 4226 as 4227 and by inserting after section 4225 the following new section:

68A Stat. 493.  
26 USC 4216-  
4226.

**"SEC. 4226. FLOOR STOCKS TAXES."****"(a) IN GENERAL.—"**

"(1) 1956 TAX ON TRUCKS, TRUCK TRAILERS, BUSES, ETC.—On any article subject to tax under section 4061 (a) (1) (relating to tax on trucks, truck trailers, buses, etc.) which, on July 1, 1956, is held by a dealer for sale, there is hereby imposed a floor stocks tax at the rate of 2 percent of the price for which the article was purchased by such dealer. If the price for which the article was sold by the manufacturer, producer, or importer is established to the satisfaction of the Secretary or his delegate, then in lieu of the amount specified in the preceding sentence, the tax imposed by this paragraph shall be at the rate of 2 percent of the price for which the article was sold by the manufacturer, producer, or importer.

*Ante, p. 388.*

"(2) 1956 TAX ON TIRES OF THE TYPE USED ON HIGHWAY VEHICLES.—On tires subject to tax under section 4071 (a) (1) (as amended by the Highway Revenue Act of 1956) which, on July 1, 1956, are held—

*Ante, p. 388.*

"(A) by a dealer for sale,

"(B) for sale on, or in connection with, other articles held by the manufacturer, producer, or importer of such other articles, or

**26 USC 4218.**  
4219.

*Ante, p. 389.*

*Ante, p. 389.*

*Ante, p. 389.*

*Post, p. 393.*

*Intra.*

**26 USC 6412.**

**26 USC 4061.**

“(C) for use in the manufacture or production of other articles, there is hereby imposed a floor stocks tax at the rate of 3 cents a pound. The tax imposed by this paragraph shall not apply to any tire which is held for sale by the manufacturer, producer, or importer of such tire or which will be subject under section 4218 (a) (2) or 4219 to the manufacturers excise tax on tires.

“(3) 1956 TAX ON TREAD RUBBER.—On tread rubber subject to tax under section 4071 (a) (4) (as amended by the Highway Revenue Act of 1956) which, on July 1, 1956, is held by a dealer, there is hereby imposed a floor stocks tax at the rate of 3 cents a pound. The tax imposed by this paragraph shall not apply in the case of any person if such person establishes, to the satisfaction of the Secretary or his delegate, that all tread rubber held by him on July 1, 1956, will be used otherwise than in the recapping or retreading of tires of the type used on highway vehicles (as defined in section 4072 (c)).

“(4) 1956 TAX ON GASOLINE.—On gasoline subject to tax under section 4081 which, on July 1, 1956, is held by a dealer for sale, there is hereby imposed a floor stocks tax at the rate of 1 cent a gallon. The tax imposed by this paragraph shall not apply to gasoline in retail stocks held at the place where intended to be sold at retail, nor to gasoline held for sale by a producer or importer of gasoline.

“(b) OVERPAYMENT OF FLOOR STOCKS TAXES.—Section 6416 shall apply in respect of the floor stocks taxes imposed by this section, so as to entitle, subject to all provisions of section 6416, any person paying such floor stocks taxes to a credit or refund thereof for any of the reasons specified in section 6416.

“(c) MEANING OF TERMS.—For purposes of subsection (a), the terms ‘dealer’ and ‘held by a dealer’ have the meaning assigned to them by section 6412 (a) (3).

“(d) DUE DATE OF TAXES.—The taxes imposed by subsection (a) shall be paid at such time after September 30, 1956, as may be prescribed by the Secretary or his delegate.”

(b) TECHNICAL AMENDMENT.—The table of sections for subchapter F of chapter 32 is amended by striking out

“Sec. 4226. Cross references.”

and inserting in lieu thereof

“Sec. 4226. Floor stocks taxes.”

“Sec. 4227. Cross references.”

#### SEC. 208. CREDIT OR REFUND OF TAX.

(a) FLOOR STOCKS REFUNDS.—So much of section 6412 (relating to floor stocks refunds) as precedes subsection (d) is amended to read as follows:

#### “SEC. 6412. FLOOR STOCKS REFUNDS.

“(a) IN GENERAL.—

“(1) PASSENGER AUTOMOBILES, ETC.—Where before April 1, 1957, any article subject to the tax imposed by section 4061 (a) (2) has been sold by the manufacturer, producer, or importer and on such date is held by a dealer and has not been used and is intended for sale, there shall be credited or refunded (without interest) to the manufacturer, producer, or importer an amount equal to the difference between the tax paid by such manufacturer, producer, or importer on his sale of the article and the amount of tax made applicable to such article on and after April 1, 1957, if claim for such credit or refund is filed with the Secretary or his delegate on or before August 10, 1957, based upon a request submitted to

the manufacturer, producer, or importer before July 1, 1957, by the dealer who held the article in respect of which the credit or refund is claimed, and, on or before August 10, 1957, reimbursement has been made to such dealer by such manufacturer, producer, or importer for the tax reduction on such article or written consent has been obtained from such dealer to allowance of such credit or refund.

**“(2) TRUCKS AND BUSES, TIRES, TREAD RUBBER, AND GASOLINE.—**Where before July 1, 1972, any article subject to the tax imposed by section 4061 (a) (1), 4071 (a) (1) or (4), or 4081 has been sold by the manufacturer, producer, or importer and on such date is held by a dealer and has not been used and is intended for sale (or, in the case of tread rubber, is intended for sale or is held for use), there shall be credited or refunded (without interest) to the manufacturer, producer, or importer an amount equal to the difference between the tax paid by such manufacturer, producer, or importer on his sale of the article and the amount of tax made applicable to such article on and after July 1, 1972, if claim for such credit or refund is filed with the Secretary or his delegate on or before November 10, 1972, based upon a request submitted to the manufacturer, producer, or importer before October 1, 1972, by the dealer who held the article in respect of which the credit or refund is claimed, and, on or before November 10, 1972, reimbursement has been made to such dealer by such manufacturer, producer, or importer for the tax reduction on such article or written consent has been obtained from such dealer to allowance of such credit or refund. No credit or refund shall be allowable under this paragraph with respect to gasoline in retail stocks held at the place where intended to be sold at retail, nor with respect to gasoline held for sale by a producer or importer of gasoline.

*Ante, pp. 388,  
389.*

**“(3) DEFINITIONS.—**For purposes of this section—

“(A) The term ‘dealer’ includes a wholesaler, jobber, distributor, or retailer, or, in the case of tread rubber subject to tax under section 4071 (a) (4), includes any person (other than the manufacturer, producer, or importer thereof) who holds such tread rubber for sale or use.

*Ante, p. 389.*

“(B) An article shall be considered as ‘held by a dealer’ if title thereto has passed to such dealer (whether or not delivery to him has been made), and if for purposes of consumption title to such article or possession thereof has not at any time been transferred to any person other than a dealer.

**“(b) LIMITATION ON ELIGIBILITY FOR CREDIT OR REFUND.—**No manufacturer, producer, or importer shall be entitled to credit or refund under subsection (a) unless he has in his possession such evidence of the inventories with respect to which the credit or refund is claimed as may be required by regulations prescribed under this section.

**“(c) OTHER LAWS APPLICABLE.—**All provisions of law, including penalties, applicable in respect of the taxes imposed by sections 4061, 4071, and 4081 shall, insofar as applicable and not inconsistent with subsections (a) and (b) of this section, apply in respect of the credits and refunds provided for in subsection (a) to the same extent as if such credits or refunds constituted overpayments of such taxes.”

*Ante, pp. 388,  
389.*

**(b) SPECIAL CASES.—**Section 6416 (b) (2) (special cases in which tax payments considered overpayments) is amended by striking out the period at the end of subparagraph (I) and inserting in lieu thereof a semicolon, and by adding at the end thereof the following:

*Ante, p. 90.*

“(J) In the case of a liquid in respect of which tax was paid under section 4041 (a) (1) at the rate of 3 cents a gal-

*Ante, p. 387.*

lon, used or resold for use as a fuel in a diesel-powered highway vehicle (i) which (at the time of such use or resale) is not registered, and is not required to be registered, for highway use under the laws of any State or foreign country, or (ii) which, in the case of a diesel-powered highway vehicle owned by the United States, is not used on the highway; except that the amount of any overpayment by reason of this subparagraph shall not exceed an amount computed at the rate of 1 cent a gallon;

*Ante, p. 388.*

“(K) In the case of a liquid in respect of which tax was paid under section 4041 (b) (1) at the rate of 3 cents a gallon, used or resold for use otherwise than as a fuel for the propulsion of a highway vehicle (i) which (at the time of such use or resale) is registered, or is required to be registered, for highway use under the laws of any State or foreign country, or (ii) which, in the case of a highway vehicle owned by the United States, is used on the highway; except that the amount of any overpayment by reason of this subparagraph shall not exceed an amount computed at the rate of 1 cent a gallon;

*Ante, p. 387.*

“(L) In the case of a liquid in respect of which tax was paid under section 4041 at the rate of 3 cents a gallon, used during any calendar quarter in vehicles while engaged in furnishing scheduled common carrier public passenger land transportation service along regular routes; except that (i) this subparagraph shall apply only if the 60 percent passenger fare revenue test set forth in section 6421 (b) (2) is met with respect to such quarter, and (ii) the amount of such overpayment for such quarter shall be an amount determined by multiplying 1 cent for each gallon of liquid so used by the percentage which such person's tax-exempt passenger fare revenue (as defined in section 6421 (d) (2)) derived from such scheduled service during such quarter was of his total passenger fare revenue (not including the tax imposed by section 4261, relating to the tax on transportation of persons) derived from such scheduled service during such quarter;

*Intra.*

“(M) In the case of tread rubber in respect of which tax was paid under section 4071 (a) (4), used or resold for use otherwise than in the recapping or retreading of tires of the type used on highway vehicles (as defined in section 4072 (c)), unless credit or refund of such tax is allowable under subsection (b) (3).”

68A Stat. 794.  
26 USC 641-  
6420.  
*Ante, p. 87.*

(c) PAYMENTS TO ULTIMATE PURCHASERS.—Subchapter B of chapter 65 (relating to rules of special application for abatements, credits, and refunds) is amended by renumbering section 6421 as 6422 and by inserting after section 6420 the following new section:

**“SEC. 6421. GASOLINE USED FOR CERTAIN NONHIGHWAY PURPOSES OR BY LOCAL TRANSIT SYSTEMS.**

“(a) NONHIGHWAY USES.—If gasoline is used otherwise than as a fuel in a highway vehicle (1) which (at the time of such use) is registered, or is required to be registered, for highway use under the laws of any State or foreign country, or (2) which, in the case of a highway vehicle owned by the United States, is used on the highway, the Secretary or his delegate shall pay (without interest) to the ultimate purchaser of such gasoline an amount equal to 1 cent for each gallon of gasoline so used.

“(b) LOCAL TRANSIT SYSTEMS.—

“(1) ALLOWANCE.—If gasoline is used during any calendar quarter in vehicles while engaged in furnishing scheduled common

carrier public passenger land transportation service along regular routes, the Secretary or his delegate shall, subject to the provisions of paragraph (2), pay (without interest) to the ultimate purchaser of such gasoline the amount determined by multiplying—

“(A) 1 cent for each gallon of gasoline so used, by

“(B) the percentage which the ultimate purchaser's tax-exempt passenger fare revenue derived from such scheduled service during such quarter was of his total passenger fare revenue (not including the tax imposed by section 4261, relating to the tax on transportation of persons) derived from such scheduled service during such quarter.

“(2) LIMITATION.—Paragraph (1) shall apply in respect of gasoline used during any calendar quarter only if at least 60 percent of the total passenger fare revenue (not including the tax imposed by section 4261, relating to the tax on transportation of persons) derived during such quarter from scheduled service described in paragraph (1) by the person filing the claim was attributable to tax-exempt passenger fare revenue derived during such quarter by such person from such scheduled service.

“(c) TIME FOR FILING CLAIM; PERIOD COVERED.—Not more than one claim may be filed under subsection (a), and not more than one claim may be filed under subsection (b), by any person with respect to gasoline used during the one-year period ending on June 30 of any year. No claim shall be allowed under this section with respect to any one-year period unless filed on or before September 30 of the year in which such one-year period ends.

“(d) DEFINITIONS.—For purposes of this section—

“(1) GASOLINE.—The term ‘gasoline’ has the meaning given to such term by section 4082 (b).

“(2) TAX-EXEMPT PASSENGER FARE REVENUE.—The term ‘tax-exempt passenger fare revenue’ means revenue attributable to fares which were exempt from the tax imposed by section 4261 by reason of section 4262 (b) (relating to the exemption for commutation travel, etc.).

“(e) EXEMPT SALES; OTHER PAYMENTS OR REFUNDS AVAILABLE.—

“(1) EXEMPT SALES.—No amount shall be paid under this section with respect to any gasoline which the Secretary or his delegate determines was exempt from the tax imposed by section 4081. The amount which (but for this sentence) would be payable under this section with respect to any gasoline shall be reduced by any other amount which the Secretary or his delegate determines is payable under this section, or is refundable under any provision of this title, to any person with respect to such gasoline.

“(2) GASOLINE USED ON FARMS.—This section shall not apply in respect of gasoline which was (within the meaning of paragraphs (1), (2), and (3) of section 6420 (c)) used on a farm for farming purposes.

“(f) APPLICABLE LAWS.—

“(1) IN GENERAL.—All provisions of law, including penalties, applicable in respect of the tax imposed by section 4081 shall, insofar as applicable and not inconsistent with this section, apply in respect of the payments provided for in this section to the same extent as if such payments constituted refunds of overpayments of the tax so imposed.

“(2) EXAMINATION OF BOOKS AND WITNESSES.—For the purpose of ascertaining the correctness of any claim made under this section, or the correctness of any payment made in respect of any such claim, the Secretary or his delegate shall have the authority

68A Stat. 506.  
26 USC 4261.

68A Stat. 483.  
26 USC 4082.

26 USC 4261,  
4262.

*Ante*, p. 389.

*Ante*, p. 87.

*Ante*, p. 389.

68A Stat. 901.  
26 USC 7602.

granted by paragraphs (1), (2), and (3) of section 7602 (relating to examination of books and witnesses) as if the claimant were the person liable for tax.

**"(g) REGULATIONS.**—The Secretary or his delegate may by regulations prescribe the conditions, not inconsistent with the provisions of this section, under which payments may be made under this section.

**"(h) EFFECTIVE DATE.**—This section shall apply only with respect to gasoline purchased after June 30, 1956, and before July 1, 1972.

**"(i) CROSS REFERENCES.—**

(1) For reduced rate of tax in case of diesel fuel and special motor fuels used for certain nonhighway purposes, see subsections (a) and (b) of section 4041.

(2) For partial refund of tax in case of diesel fuel and special motor fuels used for certain nonhighway purposes, see section 6416 (b) (2) (J) and (K).

(3) For partial refund of tax in case of diesel fuel and special motor fuels used by local transit systems, see section 6416 (b) (2) (L).

(4) For civil penalty for excessive claims under this section, see section 6675.

(5) For fraud penalties, etc., see chapter 75 (section 7201 and following, relating to crimes, other offenses, and forfeitures).

**(d) TECHNICAL AMENDMENTS.—**

(1) Section 6206 (relating to special rules applicable to excessive claims) is amended—

(A) by striking out "SECTION 6420" in the heading and inserting in lieu thereof "SECTIONS 6420 AND 6421";

(B) by inserting after "6420" in the first sentence thereof "or 6421"; and

(C) by inserting after "6420" in the second sentence thereof "or 6421, as the case may be".

(2) Section 6675 (relating to excessive claims for gasoline used on farms) is amended—

(A) by striking out "FOR GASOLINE USED ON FARMS" in the heading and inserting in lieu thereof "WITH RESPECT TO THE USE OF CERTAIN GASOLINE";

(B) by inserting after "6420 (relating to gasoline used on farms)" in subsection (a) thereof "or 6421 (relating to gasoline used for certain nonhighway purposes or by local transit systems)"; and

(C) by inserting after "6420" in subsection (b) thereof "or 6421, as the case may be".

(3) Section 7210 (relating to failure to obey summons) is amended by inserting after "sections 6420 (e) (2)," the following: "6421 (f) (2)."

(4) Section 7603 (relating to service of summons) and 7604 (relating to enforcement of summons) and the first sentence of section 7605 (relating to time and place of examination) are each amended by inserting after "section 6420 (e) (2)" wherever it appears a comma and the following: "6421 (f) (2)". The second sentence of section 7605 is amended by inserting after "section 6420 (e) (2)" the following: "or 6421 (f) (2)".

**(e) CLERICAL AMENDMENTS.—**

(1) Section 4084 is amended to read as follows:

**"SEC. 4084. CROSS REFERENCES.**

(1) For provisions to relieve farmers from excise tax in the case of gasoline used on the farm for farming purposes, see section 6420.

(2) For provisions to relieve purchasers of gasoline from excise tax in the case of gasoline used for certain nonhighway purposes or by local transit systems, see section 6421."

*Ante, p. 90.*

*Ante, p. 90.*

*Ante, p. 91.*

*Ante, p. 91.*

*Ante, p. 90.*

(2) The table of sections for subpart A of part III of subchapter A of chapter 32 is amended by striking out

*Ante, p. 90.*

"Sec. 4084. Relief of farmers from tax in case of gasoline used on the farm."

and inserting in lieu thereof

"Sec. 4084. Cross references."

(3) The table of sections for subchapter A of chapter 63 is amended by striking out

*Ante, p. 91.*

"Sec. 6206. Special rules applicable to excessive claims under section 6420."

and inserting in lieu thereof

"Sec. 6206. Special rules applicable to excessive claims under sections 6420 and 6421."

(4) The table of sections for subchapter B of chapter 65 is amended by striking out

*Ante, p. 91.*

"Sec. 6421. Cross references."

and inserting in lieu thereof

"Sec. 6421. Gasoline used for certain nonhighway purposes or by local transit systems."

"Sec. 6422. Cross references."

(5) Section 6504 is amended by adding at the end thereof the following:

*Ante, p. 91.*

"(14) Assessments to recover excessive amounts paid under section 6421 (relating to gasoline used for certain nonhighway purposes or by local transit systems) and assessments of civil penalties under section 6675 for excessive claims under section 6421, see section 6206."

(6) Section 6511 (f) is amended by adding at the end thereof the following:

*Ante, p. 91.*

"(6) For limitations in case of payments under section 6421 (relating to gasoline used for certain nonhighway purposes or by local transit systems), see section 6421 (e)."

(7) Section 6612 (c) is amended by striking out "and" before "6420" and by inserting before the period at the end thereof the following: ", and 6421 (relating to payments in the case of gasoline used for certain nonhighway purposes or by local transit systems)".

*Ante, p. 91.*

(8) The table of sections for subchapter B of chapter 68 is amended by striking out

*Ante, p. 91.*

"Sec. 6675. Excessive claims for gasoline used on farms."

and inserting in lieu thereof

"Sec. 6675. Excessive claims with respect to the use of certain gasoline."

#### SEC. 209. HIGHWAY TRUST FUND.

(a) CREATION OF TRUST FUND.—There is hereby established in the Treasury of the United States a trust fund to be known as the "Highway Trust Fund" (hereinafter in this section called the "Trust Fund"). The Trust Fund shall consist of such amounts as may be appropriated or credited to the Trust Fund as provided in this section.

(b) DECLARATION OF POLICY.—It is hereby declared to be the policy of the Congress that if it hereafter appears—

(1) that the total receipts of the Trust Fund (exclusive of advances under subsection (d)) will be less than the total expenditures from such Fund (exclusive of repayments of such advances); or

(2) that the distribution of the tax burden among the various classes of persons using the Federal-aid highways, or otherwise deriving benefits from such highways, is not equitable, the Congress shall enact legislation in order to bring about a balance of total receipts and total expenditures, or such equitable distribution, as the case may be.

**(c) TRANSFER TO TRUST FUND OF AMOUNTS EQUIVALENT TO CERTAIN TAXES.—**

**(1) IN GENERAL.—**There is hereby appropriated to the Trust Fund, out of any money in the Treasury not otherwise appropriated, amounts equivalent to the following percentages of the taxes received in the Treasury before July 1, 1972, under the following provisions of the Internal Revenue Code of 1954 (or under the corresponding provisions of prior revenue laws)—

(A) 100 percent of the taxes received after June 30, 1956, under sections 4041 (taxes on diesel fuel and special motor fuels), 4071 (a) (4) (tax on tread rubber), and 4081 (tax on gasoline);

(B) 20 percent of the tax received after June 30, 1956, and before July 1, 1957, under section 4061 (a) (1) (tax on trucks, buses, etc.);

(C) 50 percent of the tax received after June 30, 1957, under section 4061 (a) (1) (tax on trucks, buses, etc.);

(D) 37½ percent of the tax received after June 30, 1956, and before July 1, 1957, under section 4071 (a) (1) (tax on tires of the type used on highway vehicles);

(E) 100 percent of the taxes received after June 30, 1957, under section 4071 (a) (1), (2), and (3) (taxes on tires of the type used on highway vehicles, other tires, and inner tubes);

(F) 100 percent of the tax received under section 4481 (tax on use of certain vehicles); and

(G) 100 percent of the floor stocks taxes imposed by section 4226 (a).

In the case of any tax described in subparagraph (A), (B), or (D), amounts received during the fiscal year ending June 30, 1957, shall be taken into account only to the extent attributable to liability for tax incurred after June 30, 1956.

**(2) LIABILITIES INCURRED BEFORE JULY 1, 1972, FOR NEW OR INCREASED TAXES.—**There is hereby appropriated to the Trust Fund, out of any money in the Treasury not otherwise appropriated, amounts equivalent to the following percentages of the taxes which are received in the Treasury after June 30, 1972, and before July 1, 1973, and which are attributable to liability for tax incurred before July 1, 1972, under the following provisions of the Internal Revenue Code of 1954—

(A) 100 percent of the taxes under sections 4041 (taxes on diesel fuel and special motor fuels), 4071 (a) (4) (tax on tread rubber), and 4081 (tax on gasoline);

(B) 20 percent of the tax under section 4061 (a) (1) (tax on trucks, buses, etc.);

(C) 37½ percent of the tax under section 4071 (a) (1) (tax on tires of the type used on highway vehicles); and

(D) 100 percent of the tax under section 4481 (tax on use of certain vehicles).

**(3) METHOD OF TRANSFER.—**The amounts appropriated by paragraphs (1) and (2) shall be transferred at least monthly from the general fund of the Treasury to the Trust Fund on the basis of estimates by the Secretary of the Treasury of the amounts, referred to in paragraphs (1) and (2), received in the Treasury.

*Ante, pp. 89, 387.*

*Ante, p. 389.*

*Ante, p. 388.*

*Ante, p. 389.*

*Ante, p. 390.*

*Ante, p. 391.*

*Ante, pp. 89, 387.*

*Ante, p. 389.*

*Ante, p. 388.*

*Ante, p. 389.*

*Ante, p. 390.*

Proper adjustments shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(d) ADDITIONAL APPROPRIATIONS TO TRUST FUND.—There are hereby authorized to be appropriated to the Trust Fund, as repayable advances, such additional sums as may be required to make the expenditures referred to in subsection (f).

(e) MANAGEMENT OF TRUST FUND.—

(1) IN GENERAL.—It shall be the duty of the Secretary of the Treasury to hold the Trust Fund, and (after consultation with the Secretary of Commerce) to report to the Congress not later than the first day of March of each year on the financial condition and the results of the operations of the Trust Fund during the preceding fiscal year and on its expected condition and operations during each fiscal year thereafter up to and including the fiscal year ending June 30, 1973. Such report shall be printed as a House document of the session of the Congress to which the report is made.

Report to Congress.

(2) INVESTMENT.—It shall be the duty of the Secretary of the Treasury to invest such portion of the Trust Fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (A) on original issue at par, or (B) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of special obligations exclusively to the Trust Fund. Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as to the end of the calendar month next preceding the date of such issue, borne by all marketable interest-bearing obligations of the United States then forming a part of the Public Debt; except that where such average rate is not a multiple of one-eighth of 1 percent, the rate of interest of such special obligations shall be the multiple of one-eighth of 1 percent next lower than such average rate. Such special obligations shall be issued only if the Secretary of the Treasury determines that the purchase of other interest-bearing obligations of the United States, or of obligations guaranteed as to both principal and interest by the United States on original issue or at the market price, is not in the public interest. Advances to the Trust Fund pursuant to subsection (d) shall not be invested.

40 Stat. 288.  
31 USC 774.

(3) SALE OF OBLIGATIONS.—Any obligation acquired by the Trust Fund (except special obligations issued exclusively to the Trust Fund) may be sold by the Secretary of the Treasury at the market price, and such special obligations may be redeemed at par plus accrued interest.

(4) INTEREST AND CERTAIN PROCEEDS.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the Trust Fund.

(f) EXPENDITURES FROM TRUST FUND.—

(1) FEDERAL-AID HIGHWAY PROGRAM.—Amounts in the Trust Fund shall be available, as provided by appropriation Acts, for making expenditures after June 30, 1956, and before July 1, 1972, to meet those obligations of the United States heretofore or hereafter incurred under the Federal-Aid Road Act approved July

**39 Stat. 355.**  
**23 USC 48 and**  
**note; 16 USC 503.**

11, 1916, as amended and supplemented, which are attributable to Federal-aid highways (including those portions of general administrative expenses of the Bureau of Public Roads payable from such appropriations).

(2) **REPAYMENT OF ADVANCES FROM GENERAL FUND.**—Advances made pursuant to subsection (d) shall be repaid, and interest on such advances shall be paid, to the general fund of the Treasury when the Secretary of the Treasury determines that moneys are available in the Trust Fund for such purposes. Such interest shall be at rates computed in the same manner as provided in subsection (e) (2) for special obligations and shall be compounded annually.

(3) **TRANSFERS FROM TRUST FUND FOR GASOLINE USED ON FARMS AND FOR CERTAIN OTHER PURPOSES.**—The Secretary of the Treasury shall pay from time to time from the Trust Fund into the general fund of the Treasury amounts equivalent to the amounts paid before July 1, 1973, under sections 6420 (relating to amounts paid in respect of gasoline used on farms) and 6421 (relating to amounts paid in respect of gasoline used for certain nonhighway purposes or by local transit systems) of the Internal Revenue Code of 1954 on the basis of claims filed for periods beginning after June 30, 1956, and ending before July 1, 1972.

(4) **FLOOR STOCKS REFUNDS.**—The Secretary of the Treasury shall pay from time to time from the Trust Fund into the general fund of the Treasury amounts equivalent to the following percentages of the floor stocks refunds made before July 1, 1973, under section 6412 (a) (2) of the Internal Revenue Code of 1954—

(A) 40 percent of the refunds in respect of articles subject to the tax imposed by section 4061 (a) (1) of such Code (trucks, buses, etc.) ;

(B) 100 percent of the refunds in respect of articles subject to tax under section 4071 (a) (1) or (4) of such Code (tires of the type used on highway vehicles and tread rubber) ; and

(C) 66 $\frac{2}{3}$  percent of the refunds in respect of gasoline subject to tax under section 4081 of such Code.

*Ante, p. 393.*

*Ante, p. 388.*

*Ante, p. 389.*

*Ante, p. 389.*

(g) **ADJUSTMENTS OF APPORTIONMENTS.**—The Secretary of the Treasury shall from time to time, after consultation with the Secretary of Commerce, estimate the amounts which will be available in the Highway Trust Fund (excluding repayable advances) to defray the expenditures which will be required to be made from such fund. In any case in which the Secretary of the Treasury determines that, after all other expenditures required to be made from the Highway Trust Fund have been defrayed, the amounts which will be available in such fund (excluding repayable advances) will be insufficient to defray the expenditures which will be required as a result of the apportionment to the States of the amounts authorized to be appropriated for any fiscal year for the construction, reconstruction, or improvement of the Interstate System, he shall so advise the Secretary of Commerce and shall further advise the Secretary of Commerce as to the amount which, after all other expenditures required to be made from such fund have been defrayed, will be available in such fund (excluding repayable advances) to defray the expenditures required as a result of apportionment to the States of Federal-aid highway funds for the Interstate System for such fiscal year. The Secretary of Commerce shall determine the percentage which such amount is of the amount authorized to be appropriated for such fiscal year for the construction, reconstruction, or improvement of the Interstate System and, notwithstanding any other provision of law, shall there-

after apportion to the States for such fiscal year for the construction, reconstruction, or improvement of the Interstate System, in lieu of the amount which but for the provisions of this subsection would be so apportioned, the amount obtained by multiplying the amount authorized to be appropriated for such fiscal year by such percentage. Whenever the Secretary of the Treasury determines that there will be available in the Highway Trust Fund (excluding repayable advances) amounts which, after all other expenditures required to be made from such fund have been defrayed, will be available to defray the expenditures required as a result of the apportionment of any Federal-aid highway funds for the Interstate System previously withheld from apportionment for any fiscal year, he shall so advise the Secretary of Commerce and the Secretary of Commerce shall apportion to the States such portion of the funds so withheld from apportionment as the Secretary of the Treasury has advised him may be so apportioned without causing expenditures from the Highway Trust Fund for the Interstate System to exceed amounts available in such fund (excluding repayable advances) to defray such expenditures. Any funds apportioned pursuant to the provisions of the preceding sentence shall remain available for expenditure until the close of the third fiscal year following that in which apportioned.

**SEC. 210. INVESTIGATION AND REPORT TO CONGRESS.**

(a) **PURPOSE.**—The purpose of this section is to make available to the Congress information on the basis of which it may determine what taxes should be imposed by the United States, and in what amounts, in order to assure, insofar as practicable, an equitable distribution of the tax burden among the various classes of persons using the Federal-aid highways or otherwise deriving benefits from such highways.

(b) **STUDY AND INVESTIGATION.**—In order to carry out the purpose of this section, the Secretary of Commerce is hereby authorized and directed, in cooperation with other Federal officers and agencies (particularly the Interstate Commerce Commission) and with the State highway departments, to make a study and investigation of—

(1) the effects on design, construction, and maintenance of Federal-aid highways of (A) the use of vehicles of different dimensions, weights, and other specifications, and (B) the frequency of occurrences of such vehicles in the traffic stream,

(2) the proportionate share of the design, construction, and maintenance costs of the Federal-aid highways attributable to each class of persons using such highways, such proportionate share to be based on the effects referred to in paragraph (1) and the benefits derived from the use of such highways, and

(3) any direct and indirect benefits accruing to any class which derives benefits from Federal-aid highways, in addition to benefits from actual use of such highways, which are attributable to public expenditures for such highways.

(c) **COORDINATION WITH OTHER STUDIES.**—The Secretary of Commerce shall coordinate the study and investigation required by this section with—

(1) the research and other activities authorized by section 10 of the Federal-Aid Highway Act of 1954, and

(2) the tests referred to in section 108 (k) of this Act.

(d) **REPORTS ON STUDY AND INVESTIGATION.**—The Secretary of Commerce shall report to the Congress the results of the study and investigation required by this section. The final report shall be made as soon as possible but in no event later than March 1, 1959. On or before March 1, 1957, and on or before March 1, 1958, the Secretary of Commerce shall report to the Congress the progress that has been made in

68 Stat. 74.  
23 USC 21-1.

carrying out the study and investigation required by this section. Each such report shall be printed as a House document of the session of the Congress to which the report is made.

(e) FUNDS FOR STUDY AND INVESTIGATION.—There are hereby authorized to be appropriated out of the Highway Trust Fund such sums as may be necessary to enable the Secretary of Commerce to carry out the provisions of this section.

#### SEC. 211. EFFECTIVE DATE OF TITLE.

This title shall take effect on the date of its enactment, except that the amendments made by sections 202, 203, 204, and 205 shall take effect on July 1, 1956.

### TITLE III—SEPARABILITY

#### SEC. 301. SEPARABILITY.

If any section, subsection, or other provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of this Act and the application of such section, subsection, or other provision to other persons or circumstances shall not be affected thereby.

Approved June 29, 1956.

Public Law 628

CHAPTER 463

June 29, 1956  
[H. R. 7247]

#### AN ACT

Relating to recognition of gain or loss in certain railroad reorganizations and to amend section 108 (b) of the Internal Revenue Code of 1954.

IRC 1954, amendments.  
68A Stat. 121.  
26 USC 371-373.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part IV of subchapter C of chapter 1 of the Internal Revenue Code of 1954 is hereby amended by adding at the end thereof the following new section:*

#### “SEC. 374. GAIN OR LOSS NOT RECOGNIZED IN CERTAIN RAILROAD REORGANIZATIONS.

##### “(a) EXCHANGES BY CORPORATIONS.—

“(1) NONRECOGNITION OF GAIN OR LOSS.—No gain or loss shall be recognized if property of a railroad corporation, as defined in section 77 (m) of the Bankruptcy Act (49 Stat. 922; 11 U. S. C. 205), is transferred after July 31, 1955, in pursuance of an order of the court having jurisdiction of such corporation—

“(A) in a receivership proceeding, or

“(B) in a proceeding under section 77 of the Bankruptcy Act,

to another railroad corporation (as defined in section 77 (m) of the Bankruptcy Act) organized or made use of to effectuate a plan of reorganization approved by the court in such proceeding, in exchange solely for stock or securities in such other railroad corporation.

“(2) GAIN FROM EXCHANGES NOT SOLELY IN KIND.—If an exchange would be within the provisions of paragraph (1) if it were not for the fact that the property received in exchange consists not only of stock or securities permitted by paragraph (1) to be received without the recognition of gain, but also of other property or money, then—